

UNITED STATES DEPARTMENT OF AGRICULTURE
RURAL DEVELOPMENT
BISMARCK ND 58502

May 12, 2003

SUBJECT: Processing the Foreclosure Referral Packet for Loans Made or
Reamortized and Received Subsidy after November 1, 1996

TO: All Rural Development Field Offices in North Dakota

PURPOSE/INTENDED OUTCOME:

The purpose of this North Dakota Administrative Notice (AN) is to provide guidance in completing the Foreclosure Referral Packet on loans made or reamortized and received subsidy after November 1, 1996.

COMPARISON WITH PREVIOUS AN:

This AN replaces ND AN No. 1383 (HB-2-3550) dated October 30, 2002, which has been revised.

IMPLEMENTATION RESPONSIBILITIES:

For those borrowers who either received a loan or were reamortized and received subsidy after November 1, 1996, the Principal Reduction Attributed to Subsidy will need to be calculated by Centralized Servicing Center (CSC) before you can submit the Foreclosure Referral Packet to the State Office.

Your office will need to order the appraisal on the property to be foreclosed upon. After receipt of the appraisal, run the Maximum Payoff. The Maximum Payoff is used to obtain the Total Subsidy Granted and interest on the fees. Your next step is to request the Final Payoff. You will do so by completing and faxing Attachment 13-A of HB-1-3550 to the Payoff Department at CSC. **Your payoff request date will be the same date as the maximum payoff you obtained.** After you receive your payoffs, use these figures to complete the Foreclosure Referral Packet and forward the completed packet to the State Office. The Maximum and Final Payoff Screens must be included in the Foreclosure Referral Packet.

If you have any specific questions, please contact the Rural Housing Section.

/s/Clare A. Carlson
CLARE A. CARLSON
State Director

EXPIRATION DATE:
May 31, 2004

FILING INSTRUCTIONS:
Following ND State Supplement
Appendix 7 of HB-2-3550